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Articles:

- 1) US Embassy fails to pay rent for 10 years for leased national

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property priced at 2.5 million yen annually

ASAHI (Page 1) (Full)  
October 29, 2007

The United States Embassy in Japan has not paid the rent for 10 years on the 13,000 square meters of national property it occupies in Akasaka, Tokyo. The Japanese government used to receive 2.5 million yen in annual rent until 1997. That year, the government presented a plan to raise the rent, but the US government turned it down and has refused to pay the annual rent since then. The statute of limitations for the rent for 1998 expires in mid-December. Keeping in mind the possibility of bringing a civil suit to pursue this matter, Japan is continuing negotiations with the US.

The governments of Japan and the US in 1890 concluded a contract for leasing the property in question. Reflecting property value rises, Japan raised the rent twice: in 1974 and 1983.

The US has declined Japan's plan to raise the land rent to a level equivalent to 10 times higher than the initial one in stages starting in 1998. Under civil law, rent claims expire five years after they are made. In this case, however, since the Japanese government sent the US Embassy a letter in December 2002 calling for the payment, the statute of limitations was cancelled briefly, and the final claim runs out this December.

The government has leased national property to the embassies of four countries, including the US and Britain. According to real estate agents, the 2.5 million yen in annual rent for the prime land near the areas of government ministries and the Diet is "very cheap."

Rent for property occupied by the British Embassy that has an area of 35,000 sq. meters (Ichiban-cho, Tokyo) is 35 million yen annually.

A Japanese government official commented: "Relations with the US are naturally important, but we cannot easily make a compromise with the US due to our austere fiscal conditions."

A political settlement might be reached, but if no agreement is

reached before the statute of limitations expires, this issue might develop into an unusual civil suit between Japan and the US.

A US embassy spokesman said: "We expect to see a settlement of the problem through talks with the Japanese government."

2) Poll: Cabinet support down to 55 PERCENT ; 47 PERCENT for, 35 PERCENT against continuing MSDF's refueling mission

NIKKEI (Page 1) (Abridged)  
October 29, 2007

The approval rating for Prime Minister Yasuo Fukuda and his cabinet, which has now been in office for a month since its inauguration, was 55 PERCENT in a public opinion survey conducted by the Nihon Keizai Shimbun on Oct. 26-28, down 4 percentage points from the last survey taken in late September. The disapproval rating for the Fukuda cabinet was 31 PERCENT, up 4 points. In the survey, respondents were also asked if they thought the Maritime Self-Defense Force's refueling mission in the Indian Ocean should be continued beyond its Nov. 1 time limit. In response to this question, 47 PERCENT

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answered "yes," with 35 PERCENT saying "no."

By gender, the Fukuda cabinet's support rate was 49 PERCENT among men (down 5 points from the last survey) and 60 PERCENT among women (down 2 points). By age, it was 63 PERCENT among those aged 70 and over and 41 PERCENT among those in their 20s.

About continuing the MSDF's refueling activities in the Indian Ocean, the proportion of affirmative answers leveled off from the last survey. However, the proportion of negative answers decreased 2 points.

The survey was taken by Nikkei Research Inc. over the telephone on a random digit dialing (RDD) basis. For the survey, samples were chosen from among men and women aged 20 and over across the nation. A total of 1,582 households with one or more voters were sampled, and answers were obtained from 911 persons (57.6 PERCENT ).

3) Poll: Cabinet support falls 7.6 points to 50.2 PERCENT

TOKYO (Top play) (Abridged)  
October 29, 2007

In a telephone-based Kyodo News poll conducted across the nation on Oct. 27-28, the rate of public support for Prime Minister Yasuo Fukuda and his cabinet, now in office for a month, was 50.2 PERCENT, down 7.6 percentage points from a survey taken right after the Fukuda cabinet came into office. The nonsupport rate for the Fukuda cabinet rose 4.0 points to 29.6 PERCENT. The figures can be taken as reflecting various problems, such as the government's correction in the amount of fuel supplied by the Maritime Self-Defense Force in the Indian Ocean, former Administrative Vice Defense Minister Takemasa Moriya's collusive ties with a defense contractor, and the Health, Labor and Welfare Ministry's cover-up of data about hepatitis C.

In the survey, respondents were asked if they thought the MSDF's refueling activities in the Indian Ocean should be continued. In response to this question, 46.4 PERCENT answered "yes," down 3.2 points from the last survey. Meanwhile, the proportion of those who answered "no" increased 3.4 points to 42.9 PERCENT. In the last survey, the margin between the proportions of affirmative and negative answers was about 10 points. This time, it narrowed to 3.5 points, showing a split in public opinion.

Respondents were also asked if they supported the government's new antiterror legislative measure. To this question, 45.0 PERCENT answered "yes," with 39.3 PERCENT saying "no." In the breakdown of reasons among those affirmative about continuing the MSDF's refueling activities in the Indian Ocean, 54.3 PERCENT answered that the MSDF's refueling activities there are needed for Japan's international contributions, with 17.6 PERCENT saying the MSDF's activities are limited to fuel and water supply only and 11.2

PERCENT saying the MSDF's activities there are intended to prevent and root out terrorism. Among those negative, 42.3 PERCENT answered that Japan should make international contributions in non-military areas, such as industrial and educational areas, with 23.8 PERCENT saying the government-introduced bill does not ask for Diet approval and 18.5 PERCENT saying the MSDF could come under attack. Those who "don't know" and those who gave no answer totaled 15.7 PERCENT .

Asked about the desirable image of government, 42.4 PERCENT opted

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for a coalition government led by the Democratic Party of Japan (Minshuto), with 39.8 PERCENT preferring a coalition government led by the Liberal Democratic Party. As seen from these figures, those desiring a DPJ-led coalition government outnumbered those choosing the current LDP-led coalition government. In the last survey, the proportion of those in favor of the LDP-led coalition was 1.2 points higher than that of those preferring a DPJ-led coalition. This time, however, the two figures changed places.

In the breakdown of public support for political parties, the LDP stood at 35.5 PERCENT , down 2.9 points from the last survey, with the DPJ at 31.1 PERCENT , up 2.9 points. New Komeito, the LDP's coalition partner, was at 3.1 PERCENT , down 2.3 points from the last survey. Among other political parties, the Japanese Communist Party was at 2.4 PERCENT (down 0.5 points), the Social Democratic Party (Shaminto) at 2.0 PERCENT (down 1.1 points), the People's New Party (PNP or Kokumin Shinto) at 0.8 PERCENT (up 0.6 points), and the New Party Nippon (NPN or Shinto Nippon) at 0.4 PERCENT (up 0.3 points). "None" accounted for 23.9 PERCENT (up 3.9 points).

4) Poll: 66 PERCENT want gov't to pressure N. Korea

MAINICHI (Page 2) (Abridged)  
October 28, 2007

The Mainichi Shimbun conducted a nationwide public opinion survey on Oct. 20-21, in which respondents were asked about the future course of the government's policy toward North Korea that is based on "dialogue and pressure." In response to this question, two-thirds of the respondents answered that they wanted the government to pressure North Korea. Prime Minister Yasuo Fukuda is laying emphasis on dialogue in his North Korea policy. In the survey, however, those who want the government to assume a dialogue-oriented attitude toward North Korea accounted for only a little less than 30 PERCENT . This can be taken as reflecting public frustration at the pending issue of Japanese nationals abducted to North Korea. Such public opinion is expected to affect the government's policy toward North Korea.

"Prime Minister Shinzo Abe and his cabinet laid emphasis on its stance of taking a pressure-oriented policy toward North Korea." Following this explanation, the survey asked respondents to pick one out of three options given about what Japan should do from now on in its North Korea policy. To this question, 36 PERCENT answered that Japan should increase its pressure further, topping all other answers. Among other answers, 30 PERCENT said the government should continue the Abe cabinet's pressure-oriented stance, with 29 PERCENT saying the government should switch to a dialogue-oriented attitude. Those who want the government to take a pressure-oriented stance totaled 66 PERCENT .

Even among those who support the Fukuda cabinet, the proportion of those who want the Fukuda cabinet to take a dialogue-oriented stance was only 31 PERCENT . Among those who do not support the Fukuda cabinet, those insisting on increasing pressure added up to 42 PERCENT .

5) US Ambassador Schieffer sends President Bush cable warning quick delisting of North Korea as state sponsor of terrorism could damage Japan-US relations

NIKKEI (Page 2) (Full)

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October 27, 2007

The Washington Post in the Oct. 26 edition reported that US Ambassador to Japan Thomas Schieffer had sent an official cable to President George W. Bush noting: "If the US delists North Korea quickly, it could damage relations with Japan, the US' closest ally in the Pacific region." The ambassador has expressed his dissatisfaction with Assistant Secretary of State Christopher Hill for his stance of leaving the ambassador uninformed of the details of negotiations while stressing the need for substantive progress on the issue of North Korea's past abduction of Japanese nationals. It is quite unusual for an ambassador to send a cable directly to a president.

6) New policy approach to North Korea involving incremental aid measures to be broached in bilateral working group talks early next month, aiming at results by the end of the year

NIKKEI (Page 2) (Excerpts)  
October 28, 2007

Japan and North Korea will convene in early November a meeting of their working group on normalization on relations under the framework of the six-party talks. The outlook is for talks to center on Japan's new policy approach of meeting progress on such pending issues as the return of abductees to Japan with a staged-in removal of sanctions now imposed on the DPRK and the providing of aid. The aim is to produce certain results by the end of the year, when other moves will come together, such as North Korea's nuclear issue and the removal of its name from the US list of states sponsoring terrorism.

Coordination is underway for the working group to possibly meet in Southeast Asia, such as in Malaysia, with several meetings to take place as necessary until the end of the year. Prime Minister Yasuo Fukuda has indicated his intention to quickly find a breakthrough in the abduction issue, and when he met with the representatives of the abductee families on the 26th, he announced: "There is now a good environment in which to negotiate with North Korea. We will negotiate by using every means possible, for I would like to resolve this issue."

The focus of bilateral talks with North Korea now, including possible secret negotiations, will be whether the North will respond immediately by allowing all of the remaining abducted victims to return to Japan. The Fukuda administration has taken as an important stance the possibility of "progress" as a prior stage to "resolving" the issue. Assuming that North Korea will respond, consideration is apparently underway as to what the definition of "progress" should be, and "action in response to the level of progress," according to Foreign Minister Komura.

7) US Defense Secretary to visit Japan next month, the last stop in a three-country tour; May urge Japan to make more efforts on pending issues

SANKEI (Page 7) (Excerpts)  
October 27, 2007

Takashi Arimoto in Washington, D.C.

The schedule for Secretary of Defense Gates' three-country tour to

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Japan, the Republic of Korea, and China, starting on Nov. 7, was firmed up yesterday. According to a source connected to Japan-US relations, the visit to Japan will be the last stop in the tour. According to the same source, one might say that the trip "will be a signal to Japan to make more efforts" to resolve what compared to South Korea and China seems like a mountain of pending issues, including continuing the refueling operation of the Maritime Self-Defense Force (MSDF) in the Indian Ocean, which is about to be halted, and the lack of progress in the realignment of US forces in Japan.

This will be the first trip to Japan by Gates since he was appointed defense secretary last December. A Pentagon source noted: "the specific itinerary of the Secretary cannot be announced until after he departs." Bilateral issues with Japan include the continuing of MSDF refueling, the realignment of US forces in Japan, and host-nation support (sympathy budget) of US forces in Japan, which will run out next March.

However, Japan has an accumulation of its own issues, including the inappropriate relation between former Vice Defense Minister Moriya and a defense contractor. And the correction of the amount of fuel supplied by the MSDF (in the Indian Ocean to a US vessel). Japan will be under pressure to handle its own domestic issues.

The same source pointed out: "We should recognize that the Japan-US alliance, which is supposed to be in the best shape ever is in a dangerous situation."

8) Government, ruling coalition plan to extend Diet session for three weeks

ASAHI (Page 1) (Full)  
October 27, 2007

The government and ruling parties generally decided on Friday to extend the current Diet session, which is scheduled to end on Nov. 10. They will coordinate on a plan to extend the session for three weeks until the end of November. The aim is to allow time to enact the new bill to continue the Maritime Self-Defense Force's (MSDF) refueling mission in the Indian Ocean after passing it through the House of Representatives in early November. However there is no change in the situation that it will be difficult to enact the bill even if the session is extended, because the main opposition Democratic Party of Japan (DPJ or Minshuto) is unlikely to support the legislation, and because many members in the ruling coalition are cautious about taking a vote twice in the Lower House.

The expectation is that the opposition camp will oppose an extension of the current extraordinary session. The ruling coalition, however, intends to obtain understanding from the opposition camp by carrying out deliberations on the DPJ-sponsored livelihood-related bills and three labor-related bills the government drafted.

Due to the allegation of diversion of fuel supplied by the MSDF to a US supply ship and a scandal involving former Administrative Vice Defense Minister Takemasa Moriya's inappropriate relationship with a defense contractor, there is also a strong view that the current session should not be extended. However, the Prime Minister's Official Residence (Kantei) and the ruling Liberal Democratic Party (LDP) executives have determined that they should not give up their effort to enact the refueling bill.

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Another aim in extending the session is for the ruling coalition to show that if the bill is voted down in the House of Councillors, the DPJ is to be held responsible for the failure. LDP Secretary General Bunmei Ibuki stressed in a press conference on the 26th: "I want to see what kind of decisions the Upper House, including the DPJ, will make." A high government official commented: "It is unthinkable that the session will be extended" since Prime Minister Yasuo Fukuda will visit the United States in mid-November.

The outlook is that the new antiterrorism legislation will pass the Lower House before the end of the current session at the earliest, as a Lower House committee has already started deliberations on the bill on the 26th. The ruling camp predicts that an extension of the session until the end of November will be enough to conduct deliberations on the legislation, even though the DPJ has the lead in debate in the Upper House.

If the Upper House scraps the refueling bill, the government and ruling camp will make a decision on whether they can enact the bill with approval of a two-third Lower House majority by taking a second vote, while watching public opinion. Even if the Lower House does not take a second vote on the bill, the session will unlikely be

further extended until late December. A senior LDP member said: "We can't carry out Diet management that will affect the compilation of a budget for next fiscal year."

However, there still remain uncertainties about how long the session should be extended. If the scandal involving Moriya, who will be summoned to the Diet to testify as a sworn witness on the 29, continues to grow, the possibility is that it will be difficult to pass the new antiterrorism through the Lower House before the end of the session. Closely watching public response to a possible withdrawal of the MSDF from the Indian Ocean as the present antiterrorism law expires on Nov. 1, the government and ruling coalition will make a final decision in early November on the session extension issue.

9) In working-level talks prior to prime minister's visit to US, calls one after the other from US officials for Japan to continue refueling mission

NIKKEI (Page 2) (Excerpt)  
October 28, 2007

Hiroshi Maruya in Washington, D.C.

A series of working -level talks between Japan and the United States prior to Prime Minister Fukuda's US visit ended on Oct. 26. Vice Foreign Minister Yachi and the Foreign Ministry's Asia-Pacific Bureau Director General Sasae, who were visiting the U.S. transmitted the Japanese government's views on the removal of North Korea from the US list of states sponsoring terrorism, as well as the host-nation support (sympathy budget). The US side plans to have the President during his summit meeting with Fukuda in mid-November seek a continuance of the refueling operation in the Indian Ocean. "Expressing the feelings of the entire international community, I would like Japan to continue supplying oil," said Deputy Defense Secretary Gordon England to Yachi during their meeting. He strongly

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urged the quick enactment of the new bill that would allow continued refueling services. Similar expectations were voiced during meetings with National Security Council and other White House officials.

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10) Prime Minister Fukuda at Lower House special committee: We have to consider what civilian assistance Japan can offer in Afghanistan

MAINICHI (Page 5) (Full)  
October 27, 2007

Prime Minister Yasuo Fukuda stated on Oct. 26 at a House of Representatives Special Committee on Antiterrorism and Assistance for Iraq: "We have to always look into the possibility as to what civilian assistance Japan can provide (in Afghanistan) in cooperation with other countries." He revealed that he would consider responding to changes in the situation. He was replying to a question by Yasutoshi Nishimura of the ruling Liberal Democratic Party (LDP).

Fukuda called on the largest opposition Democratic Party of Japan (DPJ or Minshuto) to hold consultations, noting, "(Regarding the security issue) I would like to get support from as many people as possible. I have envisioned discussions with the opposition bloc." The prime minister apparently made the remarks with an eye on DPJ President Ichiro Ozawa's advocacy of civilian assistance in Afghanistan.

Masao Akamatsu of the New Komeito questioned Defense Minister Shigeru Ishiba, who was director general of the Defense Agency, about his responsibility for supervising former Administrative Vice Minister Takemasa Moriya over his alleged golfing with a former defense equipment trading house executive. Ishiba responded:

"At that time I was working even Saturdays and Sundays in dealing with such issues as the establishing of contingency law and dispatch of Self-Defense Force troops to Iraq. It was my mistake that I

shared a similar view with (Mr. Moriya). If the fact that I believed in him is wrong, I will take responsibility for that."

11) Prime Minister Fukuda: Senior SDF officers must maintain discipline

ASAHI (Page 2) (Full)  
October 29, 2007

Prime Minister Yasuo Fukuda provided instruction yesterday at an annual review at the Ground Self-Defense Force's Camp Asaka in Tokyo. Keeping in mind cozy ties between former Administrative Vice Defense Minister Takemasa Moriya and a defense equipment trading house, as well as the ministry's failure to correct its underreport of the amount of fuel the Maritime Self-Defense Force (MSDF) supplied to a US ship in the Indian Ocean, the prime minister stated: "It is truly deplorable that there have been problems concerning maintaining discipline and managing intelligence in recent years." He also demanded greater discipline, saying: "In particular, senior officials need to be aware that the duty of national defense cannot be fulfilled without the people's trust, hence the need to ensure strict discipline."

12) Of Yamada Yoko's 117 contracts with Defense Ministry between FY2002 and FY2006, 112 were discretionary

TOKYO SHIMBUN (Page 1) (Excerpts)  
October 29, 2007

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It has been found through the Defense Ministry's documents that of the 117 contracts (totaling 17.46 billion yen) on such central equipment as engines awarded by the Defense Ministry (formerly Defense Agency) to the Tokyo-based defense trader Yamada Yoko Corp. between FY2002 and FY2006, 112 cases (worth 16.47 billion yen), or over 90 PERCENT, were discretionary contracts.

In the wake of a crackdown on bid-ridding for a ridge project and a bureaucrat-initiated bid-rigging scandal involving the Defense Facilities Administration Agency, government agencies have introduced a competitive bidding system. But collusive ties between contractors and Defense Ministry officials are still very much alive in the area of defense equipment, in which a large part is imported from overseas military manufacturers and concluding discretionary contracts with contractors rich in know-how is still common for keeping defense secrets.

By year, in FY2002, of the 36 cases (3.13 billion yen), all but one open-bidding case were discretionary contracts. In FY2003, of the 28 cases (2.5 billion yen), 27 (2.39 billion yen) were discretionary. In FY2004 and FY2005, all cases -- 18 cases (4.14 billion yen) and 20 cases (4.34 billion yen), respectively -- were discretionary.

In FY2006, 15 cases (3.33 billion yen) were subject to competitive bidding, but eventually 12 ended up as discretionary contracts for such reasons as that there were no applicants or successful bidders.

Yamada Yoko won discretionary contracts totaling 2.64 billion yen in FY2004 for the shipment of a system for the Air Self-Defense Force's next-generation transport aircraft (CX), such as engines, and 1.25 billion yen in FY2005.

13) Former executive of Yamada Corp. instructs former president of subsidiary in US to send 100 million yen, suspected of using 30 million yen for new company

YOMIURI (Page 39) (Excerpts)  
October 29, 2007

Former executive Motonobu Miyazaki of Yamada Corp., a trading company specializing in defense and aircraft equipment, whose cozy relations with former Vice Defense Minister Takemasa Moriya have been reported, had instructed the former president of its subsidiary in the United States to send approximately 100 million yen to Japan,

it has been learned. It has also been found that Miyazaki allegedly used 30 million yen of the 100 million yen as capital for his new company. The Tokyo District Public Prosecutors Office's special investigation squad is trying to trace the money by questioning Miyazaki and the former president.

Miyazaki quit the company in June last year and established a new company named Nippon Miraizu, based in Tokyo, in September the same year. It has been recorded that 30 million yen in capital for the new company was invested by G Zero Holding, the predecessor of Nippon Miraizu started up by Miyazaki in July the same year. According to sources familiar with the matter, in the accounts of Yamada International Corp., a subsidiary of Yamada Corp. in the US based in Washington, about 100 million yen was left unaccounted for after Miyazaki left the company. This is part of the money deposited in a bank account under the name of the former president, and the former president had sent the money to Miyazaki before the president

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quit in August of last year, according to the sources.

In late August, 30 million yen in capital for Nippon Miraizu was transferred from G Zero. Around that time, Miyazaki was having difficulty raising money. Even after establishing the new company, he procured operating capital from several moneylenders.

14) 475 former Defense Ministry officials employed at top 15 defense companies accounting for 70 PERCENT of defense contracts; Huge donations to LDP

AKAHATA (Top play) (Full)  
October 28, 2007

In the wake of the revelation of improper ties between former Administrative Vice-Defense Minister Takemasa Moriya, 63, and defense equipment trader Yamada Yoko Corp., the Akahata's investigations have found that a total of 475 former Defense Ministry officials have landed jobs at the ministry's top 15 contractors after retirement. It has also become clear that the 15 firms have accounted for 70 PERCENT of the total defense contract amount that they have donated huge amounts of money to the Liberal Democratic Party.

These firms are major defense enterprises that have received orders from the Self-Defense Forces for equipment, ammunition, fuel and so on. The total amount of contract won in FY2006 by the 15 firms, led by Mitsubishi Heavy Industries, Ltd.'s 277.6 billion yen, came to 907.6 billion yen, or 70 PERCENT of the Defense Ministry's total contract amount.

As of April 2006, 13 companies, excluding two that did not have any, employed a total of 475 former Defense Ministry officials, including 98 at Mitsubishi Electric Corp., 62 at Mitsubishi Heavy Industries, and 59 at Hitachi Ltd. (Fujitsu Ltd.'s figure alone was as of October 2005).

Top three firms with over 100 billion yen in contract amount had an average of 69.7 former officials. The average of six companies, such as NEC Corp., with contracts over 30 billion yen and less than 100 billion yen, came to 27. Six firms with contracts less than 20 billion yen had an average 17.3 retired officials. This has also revealed the correlation that the amount of contracts increases in proportion to the number of former officials.

In addition, 11 companies, topped by Mitsubishi Heavy Industry's 30 million yen, donated a total of 186.9 million yen in FY2006 to the National Political Association, the LDP's fund-management organization.

Collusive ties between the defense industry and the Defense Ministry, including allegations over Moriya, must be thoroughly probed into.

15) Chinese protest vessel temporarily entered Japanese waters near Senkaku Islands

TOKYO SHIMBUN (Page 3) (Full)  
October 29, 2007

Yuji Hiraiwa, Beijing

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A civilian organization claiming China's sovereignty over the Senkaku Islands, known as Diaoyu in China, made it clear on Oct. 28 that a protest vessel had been headed for the disputed islets. According to the group's spokesperson, the protest boat entered Japanese waters around the islands on the night of Oct. 28 but left Japanese waters due to the spraying of water by a Japan Coast Guard vessel. In an interview with the Tokyo Shimbun, the spokesperson expressed a desire to land on the islets if conditions were favorable.

According to the organization, the protest vessel carrying four Chinese citizens left Amoy, Fujian Province, on Oct. 26.

"The four persons have taken the action voluntarily," the spokesperson said. He also explained the reason for taking the action at this point in time this way: "People would go to the Diaoyu until they return to China. No special motive is necessary."

In March 2004, seven Chinese activists who landed on the islands were arrested and removed by the Okinawa Prefectural Police.

16) Government files protest with China

TOKYO SHIMBUN (Page 3) (Full)  
October 29, 2007

In the wake of a Chinese protest vessel's intrusion into Japanese waters near the Senkaku Islands, known as Diaoyu in China, the government on Oct. 28 lodged a protest with the Chinese government through diplomatic channels, saying, "In view of history and international law, the Senkaku Islands are undoubtedly an inherent part of Japan's national territory. It is extremely regrettable that such an incident occurred."

In response, China urged Japan to respond calmly from a broad perspective of Japan-China relations, while indicating that Japan's request was unacceptable.

The government also collected information, establishing a liaison office in the Crisis Management Center at the Prime Minister's Official Residence (Kantei).

17) DPJ to halve costs for convention

MAINICHI (Page 2) (Abridged)  
October 28, 2007

The leading opposition Democratic Party of Japan (Minshuto) has now decided to cut costs for its convention, which is scheduled to be held in the city of Yokohama on Jan. 16 next year. The DPJ will shorten the convention's period from two days to one day and will hold no showy attractions. The DPJ used to spend 40-50 million yen on its annual convention. Next year, however, the DPJ will halve its convention spending to about 20 million yen. The decision reflects DPJ President Ichiro Ozawa's view. Ozawa anticipates that the House of Representatives will be dissolved soon for a general election, so he wants to hold the party convention in a "modest" way to save and pour money on campaigning.

According to the DPJ's secretariat, its annual convention gathers about 1,000 participants. The DPJ covers transportation expenses and hotel charges for its local delegates and guests. In December 2004,

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the DPJ held its convention in the city of Fukuoka for about 81 million yen. This time, the DPJ will not show up its convention like dropping balloons from the ceiling.

The DPJ is also well up in the art of saving money. According to its report of political funds for 2006, the DPJ has carried over more than 10 billion yen to 2007, topping the ruling Liberal Democratic Party's 6.7 billion yen.

SCHIEFFER